



**Second Meeting
2004 Interim
September 1, 2004**

**LCR 1
State Capitol**

Pierre, South Dakota

The second meeting of the Department of Education Agency Review Committee was called to order by the Chair, Senator Ed Olson, at 9:00 a.m. (CDT) on September 1, 2004, in Legislative Conference Room 1 of the State Capitol, Pierre, South Dakota.

A quorum was determined with the following members answering the roll call: Senators Ed Olson, Al Kurtenbach, and John Reedy; and Representatives Julie Bartling, Jim Bradford, Joel D. Dykstra, Burt Elliott, Phyllis M. Heineman, Ted A. Klaudt, Maurice LaRue, Ed McLaughlin, Kathy Miles, Bill Thompson, and Kent Juhnke.

Staff members present included Clare Cholik, Senior Research Analyst, and Reta Rodman, Legislative Secretary.

(NOTE: For sake of continuity, the following minutes are not necessarily in chronological order. Also, all referenced documents are on file with the Master Minutes.)

Approval of Minutes

REPRESENTATIVE BARTLING MOVED, SECONDED BY REPRESENTATIVE KLAUDT, THAT THE MINUTES BE APPROVED. MOTION PREVAILED UNANIMOUSLY ON A VOICE VOTE.

Opening Remarks

Senator Olson, Chair, complimented the Department of Education on their responses to the committee's questions posed to them at the June meeting. He also acknowledged the accomplishments of the Board of Regents and the Department of Education.

Representative Heineman, Vice Chair, thanked the Department of Education and Clare Cholik for the material that had been prepared and submitted to each legislator.

Responses to Committee Inquiries From The Last Meeting

Dr. Rick Melmer, Secretary of Education, reported to the committee that in 1988 there were 189 school districts with a total student enrollment of 126,450. Total student enrollment in 2003 was 122,999 students in 170 districts. Dr. Melmer advised that prior to 1993, the school districts kept their own statistics, and the Department of Education did not become involved in the tracking process until 1993. He reported that projections show that close to 50 percent of

the state's student population will attend school in the state's ten largest school districts by 2008.

Dr. Melmer distributed a folder entitled, "2010 Education South Dakota" (**Document #1**). The main academic indicator for the Department of Education is the Dakota STEP, according to Dr. Melmer. The committee learned that of the 716 schools tested in 2004, 85 percent met adequate yearly progress under the terms of "No Child Left Behind" and only 15 percent of the schools were placed on improvement status. Dr. Melmer noted that the 2004 Dakota STEP results showed an overall improvement in both math and reading scores and improvements in all student sub-groups including special education, Native American, economically disadvantaged, and limited English proficiency.

Dr. Melmer indicated to the committee that the diverse schools in the state are going to have a more difficult time meeting adequate yearly progress. Dr. Melmer also discussed South Dakota's results on the National Assessment of Educational Progress (**NAEP**) exam and the ACT test. The students test scores on the NAEP exam ranked South Dakota among the top ten states nationwide. On the ACT, South Dakota's average score remains above the national average despite the fact that South Dakota's participation rate is seventy-five percent while the national participation rate is only forty percent.

Representative Dykstra expressed his impression that NCLB is pointing to schools that need improvement and to groups of students that are lagging behind academically. He asked Dr. Melmer what we can do to assist Native American students. Dr. Melmer responded by saying that the education community and the Native American community have to build relationships, and the department is striving to do that. A problem Dr. Melmer sees in the Native American schools is hiring and retaining quality teachers. Representative Bradford and Dr. Melmer discussed using technical education to keep the students in school longer, and both agreed that these types of classes are very beneficial. Upon a query from Representative LaRue, Dr. Melmer advised that BIA schools are not covered under NCLB, and the department only has control over the public schools.

A document entitled, "Agency Review Information Requests," (**Document #2**) was provided to each legislator showing the Department of Education's responses to the legislators specific inquiries at their June meeting.

Dr. Melmer told the committee that the Superintendents Advisory Council is a group of superintendents chosen to serve for a period of two years. They meet with Dr. Melmer periodically to discuss major issues confronting them and to advise Dr. Melmer and others in the department on areas of concern to them.

Next, Dr. Melmer discussed the need for students to take Algebra. He stressed that it helps students to develop analytical thinking skills, which are required in all walks of life. Representative Thompson questioned whether a student must pass Algebra to meet the requirement. Dr. Melmer responded in the affirmative stating that students are required to pass all courses they take.

Senator Kurtenbach asked if there are any school districts that work together to provide courses in the sciences, or to provide band, chorus, or vocational or technical courses to students. Dr. Melmer responded that there is not much of that taking place now due to scheduling conflicts. Schools would most likely have to convert to block scheduling to make it work. Dr. Melmer noted, however, that the newly formed education service agencies would promote such activities.

Department Responses to Written Questions

Overview: Dr. Rick Melmer proceeded with a detailed presentation of the functions and goals of his department. In each packet mailed to the legislators prior to the meeting, there was a document entitled, "Department of Education – Legislative Agency Review – August 20, 2004" (**Document #3**). The committee was informed that the department is working closely with Technology and Innovations in Education (**TIE**) to establish an evaluation plan for the department itself.

Office of Curriculum, Technology & Assessment

Ms. Tammy Bauck, Director of the Office of Curriculum, Technology and Assessment, reiterated to the committee that if the department is going to be able to function adequately, it has to have the employees necessary to help school districts. Her major concern is staffing and being able to provide assistance to teachers, especially in the areas of math, science and reading that are crucial under NCLB. She explained to Representative Bradford with reference to the Dakota STEP funding, that the school districts do not receive funding, but rather receive the appropriate testing materials from the department. Ms. Bauck pointed out that Dakota STEP is a requirement of all public schools.

Representative LaRue questioned Ms. Bauck on the need for a National Assessment of Educational Progress (**NAEP**) coordinator. She explained that the coordinator compiles an annual work plan and the progress reports which are submitted to the U. S. Department of Education in order to receive funding. The NAEP exam is administered in grades 4 and 8 in reading and math every other year beginning in 2003.

Representative Bartling questioned the NCLB funding and how the money received is distributed to the school districts. Ms. Bauck indicated that the United States Department of Education distributes approximately \$3 million a year with \$1.5 million going directly to the schools, and the remaining \$1.5 million is awarded to the school districts by application.

Office of Career and Technical Education

Ms. Gloria Smith-Rockhold, Acting Director of the Office of Career and Technical Education, began by noting that her division's customer service efforts are strong. Her office offers workshops and other training opportunities and support to school districts on a daily basis. Ms. Smith-Rockhold expressed concern over the fact that teachers are scarce, and it is hard to find good teachers. She also said there is a staff shortage within the division itself as well as in the field.

Representative Bradford expressed his concern about the Native American students and their opportunities when they graduate from school. Both Representative Bradford and Ms. Smith-Rockhold support the concept of directing students toward technical or vocational careers. She also suggested that career guidance start at a young age. She noted that the department is looking into entrepreneurship education and finding ways to teach students how to be entrepreneurs.

Representative LaRue expressed interest in the funding of technical programs. Ms. Smith-Rockhold advised that approved programs are eligible for Perkins funding, state formula funds, and business and industry support through foundations.

Office of Accreditation & Teacher Quality

Ms. Melody Schopp, Director of the Office of Accreditation and Teacher Quality, advised that her office is bound by state statute and administrative rules. She explained that her office encompasses four main areas: accountability, accreditation of schools, certification of teachers, and professional practices. Ms. Schopp explained that the new three tiered accreditation model comes before the Board of Education in November and will most likely be addressed by the Legislature in January.

Representative Bradford noted the qualifications for teachers are stressed in NCLB, but there is no mention of administrators. Ms. Schopp responded by advising that beginning in 2008, all administrators must be certified. Currently, there are alternative routes to certification in place that uncertified administrators can follow to reach certification.

At 12:15 p.m., Senator Olson called a recess for lunch.

Office of Educational Services & Support

Ms. Janet Ricketts, Director of the Office of Educational Services & Support, presented to the committee an overview of her department's three components: title programs, special education, and early childhood.

Ms. Ricketts stated that the homeless program's funding is approximately \$165,000. South Dakota has been chosen as a model nationwide. Senator Olson expressed interest in the tracking of the homeless students, and was advised that states are required to participate in a tracking system. Ms. Ricketts also discussed the "Read Wherever You Are" program that is providing books for homeless children. She is working on it in collaboration with Dorothy Liegl at the State Library. Ms. Ricketts noted for the benefit of the committee that the applications for title programs can be very lengthy, but the rewards are worth the effort as \$1.4 million flows through to the school districts.

Office of Finance & Management

Mr. Stacy Krusemark, Director of the Office of Finance & Management, stated that his office has several functions regarding the finance and management of South Dakota school districts. He noted his office is working on the end of the fiscal year school district calculations and the

FY 2006 budget process this summer. He also clarified that the district level adequate yearly progress results have not been released yet, but that his office is working on them.

Senator Olson asked who establishes the indirect cost rate on prior expenditures and revenue, and Mr. Krusemark explained that they are derived from federal funds as they are spent. Representative Bradford asked Mr. Krusemark if he is happy with the state aid formula, and he interjected that it can always be improved. He noted that the school districts need to know how much money they will receive and be able to project what they will receive in future years so they can budget accordingly and prepare for the future.

Office of State Library

Ms. Dorothy Liegl, New Director of the Office of the State Library, reported that the State Library has contact with all school districts in South Dakota either through telephone calls, e-mails, or personal visits to the library. She reiterated the library's service is from "birth to death." Ms. Liegl emphasized the in-depth research and reference services that are available through the library. The State Library receives about 62,000 requests for service per year.

Representative Heineman congratulated her on the recent improvements in the Braille unit at the State Penitentiary and expressed her appreciation for the great tour that was provided to interested legislators.

Ms. Liegl shared with the committee that only about 40 percent of the school districts have a certified librarian. Many small districts have no certified librarian at all. In other schools, the job of librarian is shared among other staff. Ms. Liegl noted that there are currently no standards that library aides must meet, but the State Library does provide periodic training workshops for them.

Office of School Enhancement

Mr. Wade Pogany, Director of the Office of School Enhancement, shared with the committee the office's role in federal programs and graduation requirements. He said the coordinated school health program is funded solely through the Center for Disease Control with the amount of funding being approximately \$631,000. It is a program which the Department of Education collaborates with the Department of Health.

Representative Elliott questioned Mr. Pogany on the Character Ed program that originated from a grant that was awarded on July 1, 2001. He was informed that the grant is in the amount of \$1,000,000 and distributed over a four-year period ending in 2005. Mr. Pogany suggested that the role of the Office of School Enhancement is to make sure the schools have good information and are shown ways to grow.

Representative Klaudt expressed concern that transportation issues are making it difficult for some small schools to survive. Mr. Pogany commented that buses from one school district sometimes retrieve students from other districts.

View of LRC Staff Documents

Mr. Mark Zickrick, LRC Principal Fiscal Analyst, explained the history of the Department of Education's overall budget. Mr. Zickrick distributed a document entitled "The Department of Education: A Recent Budget History" (**Document #4**). In this document he displayed data showing that the Department of Education is almost 37 percent of the State General Fund Budget. Appropriations total almost 87 percent of the State General Fund Budget to Social Services, Human Services, Corrections, Education, and the Board of Regents.

Confusion was expressed by Representative Heineman regarding the difference in Technology in Schools appropriations from \$6.7 million for FY2004 to \$10 million FY2005. Mr. Zickrick responded by explaining that the smaller amount was actual expenditures, and the \$10 million was appropriated with some of the latter figure called "empty authority." Two other handouts entitled, "Department of Education," (**Document #5**) and "A History of State Aid to Education Appropriations" (**Document #6**) further illustrate various Department of Education statistical data.

Ms. Clare Cholik presented two handouts entitled "Duties Assigned to the Department of Education in South Dakota Codified Laws" (**Document #7**) and "Duties Assigned to the Department of Education in the Administrative Rules of South Dakota" (**Document #8**). Ms. Cholik explained that she reviewed the statutes and rules looking for any that assign duties to the department that may be outdated or no longer necessary. She noted that a couple chapters of law assign duties to the department that consist of administering grants that are not being funded at present. Other than that, she found no duties that appear to be presently unfulfilled.

Public Testimony

Ms. Glenna Fouberg, SD Board of Education, Aberdeen, stated that in the 7 years she has worked with the Department of Education she has seen a number of changes. Ms. Fouberg noted that the staff of the department is professional and very dedicated to the education of all students in South Dakota. She said the Board of Education partners with the department and relies on it for help. She commented that maintaining quality staff is challenging for the department due to salary levels that are not always competitive.

Mr. Dan Guericke, Mid-Central Education Cooperative, Mitchell, commended the department for its balance of leadership and service. He also pointed out the lead the department has taken on the 2010E Initiative and other issues confronting school districts. His main concern is the loss of key personnel within the department. He noted that quality personnel is often hard to replace.

Dr. Jim Parry, Technology and Innovation in Education, Rapid City, expressed admiration for Dr. Melmer's empowerment philosophy. His perception is that the department is maintaining high standards even though they have limited staffing and expertise. Dr. Parry recommends:

- Being a collaborative leader.
- Being clear about the department's roles – regulatory and service.
- Engaging in partners to gain expertise.
- Being a model for the department's constituency.

Dr. John Pedersen, Pierre Public Schools, Pierre, stated that he has been a superintendent for 24 years and that the Department of Education has “never been better.” He expressed support for NCLB, which in his estimation has been good for South Dakota. Dr. Pederson reiterated that Dr. Melmer was an excellent choice as Secretary of Education, and South Dakota is fortunate to have the department’s present staff, and also a governor who genuinely cares about education.

Mr. Ryan Wise, Executive Director, Teach for America, Pierre, testified about the goals of his organization which are for new college graduates to commit to teach for two years in low income communities. He was impressed with Secretary Melmer’s willingness to learn about the Teach for America program, and he said all the contacts that he has had with the department have been positive.

Mr. Jesse Taken Alive, a member of the McLaughlin School Board, testified that the Indian community believes in quality education on the reservations, and they feel it is imperative that each Native American student receive a good education. He expressed his gratitude to the Department of Education. He serves on the new Advisory Committee on Indian Education and hopes progress will come as a result of it.

At the end of the public testimony section of the meeting, Clare Cholik distributed letters of testimony from various individuals who were unable to attend the meeting (**Document #9**). Some of the letters provide testimony on the Department of Education and others provide testimony on the State Library specifically.

Committee Discussion

Representative Dykstra stated that the information the Department of Education has given the committee is helpful, but he wonders exactly what the committee could deliver to the Legislature that would help in addressing future funding issues. Representative Dykstra expressed concern that there is a risk of just absorbing information and not actually improving our understanding of the department. He emphasized that the “sunset process” is designed to challenge the department for justification.

Representative Klaudt expressed reservation that the committee was not receiving the “hard data” that he felt was necessary to appraise each program. He stated he would like to see the department furnish the committee with a “line in the sand” from where the Appropriations Committee could start in making budget decisions.

Representative McLaughlin pointed out his concern for low staff salaries, and other hindrances that may make jobs within the department difficult to fill. He mentioned the idea of service centers around the state rather than having most department employees in the Pierre office. He also stated his opinion that the school year should be lengthened to twelve months instead of nine.

Representative Heineman questioned the committee’s role in evaluating the Department of Education’s accountability. She suggested that the committee work toward developing a

model or process to use to evaluate the department as it goes before the Appropriations Committee.

Senator Kurtenbach advised the committee to look at the “big picture” of the Department of Education, and to keep things in perspective. He reminded the committee that the Dakota STEP results overall look very good and that’s a good indicator of the state of education in South Dakota. He thanked the department members for their excellent presentation.

Staff Directives

For the next meeting, the committee would like more information on the unfilled positions that exist within the department. Are the job vacancies affecting the department’s performance? Are the salary levels making the positions difficult to fill? Are there other obstacles in filling them? What can the department or Legislature do to help fill the most critical ones?

The committee would also like a comparison of SD Reads (State funded) and Reading First (federally funded), including points of accountability and the flow of funds.

Lastly, the committee wants any information that might be available relative to any forthcoming 2010E Initiatives and other plans the department has for the future that would require legislative action.

Next Meeting Date

Senator Olson noted that the next meeting will be September 22–23, 2004, in Pierre, South Dakota at the Capitol Building in Legislative Conference Room 1.

Adjournment

REPRESENTATIVE KLAUDT MOVED, SECONDED BY SENATOR REEDY, THAT THE COMMITTEE BE ADJOURNED. THE MOTION PREVAILED ON A VOICE VOTE.

THE COMMITTEE ADJOURNED AT 5:15 p.m.



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